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RUEHLO/AMEMBASSY LONDON PRIORITY 0759  
RUEHFR/AMEMBASSY PARIS PRIORITY 0718  
RUEAIIA/CIA WASHINGTON DC PRIORITY  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY  
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DEPT FOR NEA/ELA, NEA/FO, EEB/EX, EEB/ESC/TFS, L/EB;  
COMMERCE FOR BIS/SONDERMAN/CHRISTINO  
NSC FOR SHAPIRO/MCDERMOTT  
TREASURY FOR HAJJAR/CURTIN  
PARIS FOR NOBLES  
LONDON FOR LORD

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TAGS: [ECIN](#) [ECON](#) [EINV](#) [PGOV](#) [PREL](#) [SY](#)  
SUBJECT: U.S. HEDGE FUND AND PRIVATE EQUITY INVESTORS VISIT  
DAMASCUS

Classified By: Charge d'Affaires Chuck Hunter for reasons 1.4(b,d)

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Summary  
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¶1. (SBU) A group of about 20 hedge fund and private equity investors, predominately from the U.S., are in Damascus October 28-31 to meet with SARG officials to discuss investment opportunities in Syria. The group is on a one-week trip, visiting Beirut and Damascus. They are scheduled to meet with President Asad, Prime Minister Otri and numerous Syrian ministers including Finance, Economy and Tourism during their four-day stay in Syria. The high level of access to government officials being provided to this group underscores the importance the SARG is placing on attracting foreign investment. End summary.

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U.S. Investors Visit Damascus  
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¶2. (SBU) A group of around 20 hedge fund and private equity investors are in Damascus October 28-31 to meet with SARG officials to discuss investment-opportunities in Syria. The group is on a one-week information gathering trip to discuss emerging market investment opportunities in Syria and Lebanon. The members of the delegation are predominately from the U.S. but there are also investors from Europe, Asia and Central America.

¶3. (C) During their four-day stay in Syria, the investors are scheduled to meet with President Asad, Prime Minister Otri and numerous Syrian ministers including Finance, Economy and Tourism. A member of the delegation, Mr. John Barrett (an AmCit), told us that during their October 28 visit with PM Otri, Otri talked about improving Syrian-American relations and said he was very optimistic U.S. sanctions on Syria would be eased, if not lifted, in the near future. Otri also told the group Syria was looking for foreign investments throughout all areas of the economy, in particular power generation, transportation, and tourism. The Otri meeting was reported in the October 29 editions of SARG-controlled newspapers and the semi-independent Al-Watan. Al-Baath reported Otri stated that Syria's economy was strong and

diversified, and that investment opportunities were available.

14. (C) On the evening of October 28 local businessmen hosted a dinner in honor of the visitors at Damascus University to introduce the investors to the Syrian business elite. High-profile Syrian attendees at the dinner event included Rateb Shallah (Honorary Chairman of the Federation of Syrian Chambers of Commerce and Industry), Dr. Abdul Rahman Attar (Attar Group), Dr. Wael Mualla (President of Damascus University), Bassel Hamwi (Audi Bank - Syria), Bassem Ghraoui (Ghraoui Group), and Abdulsalam Haykal (Syrian Young Entrepreneurs' Association). Prior to the dinner the guests received a presentation on Syrian history, economics and politics by Dr. Nabil Sukkar of Damascus University. The presentation, as expected, glossed over the negative aspects of Syria's recent history but was extremely forthcoming on the economic hurdles Syria is currently facing. Dr. Sukkar was fairly negative on U.S.-Syrian past relations, including twice using "Pax-Americana" to describe U.S. policy towards the Middle East during the 1950's and again during the Bush Administration. Dr. Sukkar was, however, extremely positive in his assessment of current U.S. policy under the Obama Administration.

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Short Notice Trip  
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15. (C) Mrs. John McAtee, a wife of one of the investors, told us the trip was put together on short notice, having been scheduled within the last few weeks. According to Mrs. McAtee, the trip was organized through a joint effort of

Wafic Said and Barton Biggs; all the investors were colleagues of Biggs and participated in the trip at his personal invitation. She said Said set up the agenda and arranged all of the group's meetings in both Beirut and Damascus. Though the group's visit coincides with a conference this weekend on public-private partnerships, organized by the British Syrian Society, the timing is apparently coincidental. None of the members of the group to whom we spoke said they were planning to attend the conference.

16. (U) Wafic Said is a Syrian who resides in England and is Chairman of Said Holdings Limited. His father, Rida Said, founded Damascus University in 1923. (The dinner event took place in the conference center named after his father on the Damascus University campus.) Barton Biggs runs Traxis Partners, a multi-billion-dollar hedge fund based in New York. He previously worked for Morgan Stanley for over 30 years and was their "chief global strategist." Biggs and Said are longtime friends and Biggs serves on the board of Said Holdings.

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Comment  
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17. (C) This visit represents a chance for Syrian businessmen and SARG officials to pitch investment opportunities to perhaps the biggest group of financial investors in recent memory. Dinner conversation with members of the investor group revealed that although the Syrians were working hard to make their case for foreign investment, the investors themselves were being more cautious. They pumped us for information on U.S. sanctions and wondered how doing business in Syria would be perceived in the U.S. The group saw this trip as a chance to gather information on potential investments in an emerging Middle Eastern market while also assessing the risks involved in investing in major projects in Syria.

HUNTER